



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015  
OF THE CONDITION AND AFFAIRS OF THE

SilverScript Insurance Company

NAIC Group Code

4667

4667

(Current)

(Prior)

NAIC Company Code

12575

Employer's ID Number

20-2833904

Organized under the Laws of

Tennessee

, State of Domicile or Port of Entry

Tennessee

Country of Domicile

United States of America

Licensed as business type:

Life, Accident & Health

Is HMO Federally Qualified? Yes [☐] No [☒]

Incorporated/Organized

05/11/2005

Commenced Business

01/01/2006

Statutory Home Office

445 Great Circle Road

(Street and Number)

Nashville , TN, US 37228

(City or Town, State, Country and Zip Code)

Main Administrative Office

445 Great Circle Road

(Street and Number)

Nashville , TN, US 37228

(City or Town, State, Country and Zip Code)

615-743-6600

(Area Code) (Telephone Number)

Mail Address

445 Great Circle Road

(Street and Number or P.O. Box)

Nashville , TN, US 37228

(City or Town, State, Country and Zip Code)

Primary Location of Books and Records

445 Great Circle Road

(Street and Number)

Nashville , TN, US 37228

(City or Town, State, Country and Zip Code)

615-743-6600

(Area Code) (Telephone Number)

Internet Website Address

www.silverscript.com

Statutory Statement Contact

Xiaoqi Glenn Wang

(Name)

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401-733-0136

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OFFICERS

President

Todd Dean Meek

Treasurer

Anthony Graham Strong

Vice President

Albert Franklin Moffett

Secretary

Michele Wugalter Buchanan

OTHER

Rebecca Conway Justice, Actuary

DIRECTORS OR TRUSTEES

Harold Neil Lund

Todd Dean Meek

Jane Frances Barlow

Mary Kristina Meyer

David Scott Azzolina

State of SS:  
County of

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Todd Dean Meek

Michele Wugalter Buchanan

Anthony Graham Strong

President

Secretary

Treasurer

Subscribed and sworn to before me this day of

a. Is this an original filing? ..... Yes [☒] No [☐]  
b. If no,  
1. State the amendment number.....  
2. Date filed .....  
3. Number of pages attached.....

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	2,768,519	262,237	2,506,282	2,819,579
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....			0	0
encumbrances) .....				
4.2 Properties held for the production of income (less				
\$ .....			0	0
encumbrances) .....				
4.3 Properties held for sale (less \$ .....			0	0
encumbrances) .....				
5. Cash (\$ .....				
(2,516,507) , Schedule E - Part 1), cash equivalents				
(\$ .....				
, Schedule E - Part 2) and short-term				
investments (\$ .....	54,305,139		54,305,139	63,769,746
56,821,646 , Schedule DA) .....				
6. Contract loans, (including \$ .....			0	0
premium notes) .....				
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....			0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	57,073,657	262,237	56,811,420	66,589,325
13. Title plants less \$ .....			0	0
charged off (for Title insurers				
only) .....				
14. Investment income due and accrued .....	14,100		14,100	18,171
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	18,256,563	5,365,086	12,891,477	13,601,218
15.2 Deferred premiums and agents' balances and installments booked but				
deferred and not yet due (including \$ .....				
earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ .....				
) and				
contracts subject to redetermination (\$ .....			0	0
) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	1,701,560		1,701,560	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	2,154,731,540	168,070	2,154,563,470	2,650,870,627
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	73,833,222	21,279	73,811,943	33,136,413
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets				
(\$ .....			0	0
) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	85,886,892		85,886,892	0
24. Health care (\$ .....			0	0
) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25) .....	2,391,497,534	5,816,672	2,385,680,862	2,764,215,754
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts .....			0	0
28. Total (Lines 26 and 27)	2,391,497,534	5,816,672	2,385,680,862	2,764,215,754
DETAILS OF WRITE-INS				
1101. ....			0	0
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ .....3,634,946 reinsurance ceded) .....	32,386,168		32,386,168	115,324,366
2. Accrued medical incentive pool and bonus amounts .....	29,454,327		29,454,327	14,381,096
3. Unpaid claims adjustment expenses.....			0	0
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....	216,236,191		216,236,191	225,652,067
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance.....	4,501,043		4,501,043	3,624,788
9. General expenses due or accrued.....	12,809,606		12,809,606	5,388,075
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....	156,960,459		156,960,459	97,399,362
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable.....	97,817,852		97,817,852	52,390,591
12. Amounts withheld or retained for the account of others.....			0	0
13. Remittances and items not allocated.....			0	232,905
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current).....			0	0
15. Amounts due to parent, subsidiaries and affiliates.....			0	451,922,329
16. Derivatives.....			0	0
17. Payable for securities.....			0	0
18. Payable for securities lending .....			0	0
19. Funds held under reinsurance treaties (with \$ .....3,302,632 authorized reinsurers, \$ .....49,257,787 unauthorized reinsurers and \$ .....0 certified reinsurers).....	52,560,419		52,560,419	81,937,407
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans.....	1,169,239,829		1,169,239,829	1,267,884,755
23. Aggregate write-ins for other liabilities (including \$ ..... current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	1,771,965,894	0	1,771,965,894	2,316,137,741
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	52,449,451	61,556,686
26. Common capital stock.....	XXX	XXX	2,750,000	2,750,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	124,750,000	124,750,000
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	433,765,517	259,021,327
32. Less treasury stock, at cost: 32.1 ..... shares common (value included in Line 26 \$ ..... ).....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	613,714,968	448,078,013
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,385,680,862	2,764,215,754
DETAILS OF WRITE-INS				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0
2501. Section 9010 Special Surplus .....	XXX	XXX	52,449,451	61,556,686
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	52,449,451	61,556,686
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	41,238,109	36,635,427
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	2,331,299,666	2,519,810,780
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	6,045,092	(3,576,602)
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	
5. Risk revenue .....	XXX	0	
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	2,337,344,758	2,516,234,178
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		0	
10. Other professional services .....		0	
11. Outside referrals .....		0	
12. Emergency room and out-of-area .....		0	
13. Prescription drugs .....		2,069,607,640	2,487,843,197
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		42,644,602	22,394,710
16. Subtotal (Lines 9 to 15) .....	0	2,112,252,242	2,510,237,907
<b>Less:</b>			
17. Net reinsurance recoveries .....		425,423,853	513,789,533
18. Total hospital and medical (Lines 16 minus 17) .....	0	1,686,828,389	1,996,448,374
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....25,038,570 cost containment expenses .....		128,037,369	171,353,561
21. General administrative expenses .....		210,782,881	101,788,780
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	2,025,648,639	2,269,590,715
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	311,696,119	246,643,463
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		68,509	24,029
26. Net realized capital gains (losses) less capital gains tax of \$ .....			
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	68,509	24,029
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....323,873 ) (amount charged off \$ .....111,641,499 )] .....		(111,317,626)	(24,714,285)
29. Aggregate write-ins for other income or expenses .....	0	(594,100)	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	199,852,902	221,953,207
31. Federal and foreign income taxes incurred .....	XXX	161,863,630	97,391,991
32. Net income (loss) (Lines 30 minus 31) .....	XXX	37,989,272	124,561,216
<b>DETAILS OF WRITE-INS</b>			
0601. ~ .....	XXX		0
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	0	0
0701. ~ .....	XXX		0
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ~ .....			0
1402. ~ .....			0
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. CMS Penalty .....		(594,100)	0
2902. ~ .....			0
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	(594,100)	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	448,078,013	331,862,104
34. Net income or (loss) from Line 32 .....	37,989,272	124,561,216
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....	40,657,821	3,966,359
39. Change in nonadmitted assets .....	86,989,862	(12,311,666)
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	165,636,955	116,215,909
49. Capital and surplus end of reporting period (Line 33 plus 48)	613,714,968	448,078,013
DETAILS OF WRITE-INS		
4701. ....		0
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	2,301,635,851	2,487,800,707
2. Net investment income .....	50,931	49,335
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	2,301,686,782	2,487,850,042
5. Benefit and loss related payments .....	1,754,693,356	2,070,565,376
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	454,228,208	357,955,213
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	102,302,534	44,498,957
10. Total (Lines 5 through 9) .....	2,311,224,098	2,473,019,546
11. Net cash from operations (Line 4 minus Line 10) .....	(9,537,316)	14,830,496
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	560,000	640,000
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	260,000
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	560,000	900,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	487,291	633,063
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	487,291	633,063
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	72,709	266,937
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	0	0
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	0	0
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(9,464,607)	15,097,433
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	63,769,746	48,672,313
19.2 End of year (Line 18 plus Line 19.1) .....	54,305,139	63,769,746

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	2,331,299,666								2,331,299,666	
2. Change in unearned premium reserves and reserve for rate credit .....	6,045,092								6,045,092	
3. Fee-for-service (net of \$ ..... medical expenses) .....	0									XXX
4. Risk revenue .....	0									XXX
5. Aggregate write-ins for other health care related revenues .....	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6) .....	2,337,344,758	0	0	0	0	0	0	0	2,337,344,758	0
8. Hospital/medical benefits .....	0									XXX
9. Other professional services .....	0									XXX
10. Outside referrals .....	0									XXX
11. Emergency room and out-of-area .....	0									XXX
12. Prescription drugs .....	2,069,607,640								2,069,607,640	XXX
13. Aggregate write-ins for other hospital and medical .....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts .....	42,644,602								42,644,602	XXX
15. Subtotal (Lines 8 to 14) .....	2,112,252,242	0	0	0	0	0	0	0	2,112,252,242	XXX
16. Net reinsurance recoveries .....	425,423,853								425,423,853	XXX
17. Total medical and hospital (Lines 15 minus 16).....	1,686,828,389	0	0	0	0	0	0	0	1,686,828,389	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ .....25,038,570 cost containment expenses .....	128,037,369								128,037,369	
20. General administrative expenses .....	210,782,881								210,782,881	
21. Increase in reserves for accident and health contracts .....	0									XXX
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	2,025,648,639	0	0	0	0	0	0	0	2,025,648,639	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	311,696,119	0	0	0	0	0	0	0	311,696,119	0
DETAILS OF WRITE-INS										
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....				0
2. Medicare Supplement .....				0
3. Dental only .....				0
4. Vision only .....				0
5. Federal Employees Health Benefits Plan .....	0			0
6. Title XVIII - Medicare .....	0			0
7. Title XIX - Medicaid .....	0			0
8. Other health .....	2,916,252,649		584,952,983	2,331,299,666
9. Health subtotal (Lines 1 through 8) .....	2,916,252,649	0	584,952,983	2,331,299,666
10. Life .....	0			0
11. Property/casualty .....	0			0
12. Totals (Lines 9 to 11)	2,916,252,649	0	584,952,983	2,331,299,666



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct .....	2,177,817,174								2,177,817,174	
1.2 Reinsurance assumed .....	.0									
1.3 Reinsurance ceded .....	450,695,189								450,695,189	
1.4 Net .....	1,727,121,985	.0	.0	.0	.0	.0	.0	.0	1,727,121,985	.0
2. Paid medical incentive pools and bonuses .....	27,571,371								27,571,371	
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	36,021,114	.0	.0	.0	.0	.0	.0	.0	36,021,114	.0
3.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	3,634,946	.0	.0	.0	.0	.0	.0	.0	3,634,946	.0
3.4 Net .....	32,386,168	.0	.0	.0	.0	.0	.0	.0	32,386,168	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....	.0									
4.2 Reinsurance assumed .....	.0									
4.3 Reinsurance ceded .....	.0									
4.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year .....	29,454,327								29,454,327	
6. Net healthcare receivables (a) .....	.0									
7. Amounts recoverable from reinsurers December 31, current year .....	.0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	144,230,648	.0	.0	.0	.0	.0	.0	.0	144,230,648	.0
8.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded .....	28,906,282	.0	.0	.0	.0	.0	.0	.0	28,906,282	.0
8.4 Net .....	115,324,366	.0	.0	.0	.0	.0	.0	.0	115,324,366	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....	.0									
9.2 Reinsurance assumed .....	.0									
9.3 Reinsurance ceded .....	.0									
9.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year .....	14,381,096								14,381,096	
11. Amounts recoverable from reinsurers December 31, prior year .....	0									
12. Incurred Benefits:										
12.1 Direct .....	2,069,607,640	.0	.0	.0	.0	.0	.0	.0	2,069,607,640	.0
12.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded .....	425,423,853	.0	.0	.0	.0	.0	.0	.0	425,423,853	.0
12.4 Net .....	1,644,183,787	0	0	0	0	0	0	0	1,644,183,787	0
13. Incurred medical incentive pools and bonuses .....	42,644,602	0	0	0	0	0	0	0	42,644,602	0

(a) Excludes \$ loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	245,946								245,946	
1.2 Reinsurance assumed .....	0								0	
1.3 Reinsurance ceded .....	0								0	
1.4 Net .....	245,946	0	0	0	0	0	0	0	245,946	0
2. Incurred but Unreported:										
2.1 Direct .....	35,775,168								35,775,168	
2.2 Reinsurance assumed .....	0								0	
2.3 Reinsurance ceded .....	3,634,946								3,634,946	
2.4 Net .....	32,140,222	0	0	0	0	0	0	0	32,140,222	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	0								0	
3.2 Reinsurance assumed .....	0								0	
3.3 Reinsurance ceded .....	0								0	
3.4 Net .....	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct .....	36,021,114	0	0	0	0	0	0	0	36,021,114	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	3,634,946	0	0	0	0	0	0	0	3,634,946	0
4.4 Net .....	32,386,168	0	0	0	0	0	0	0	32,386,168	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....					0	0
2. Medicare Supplement .....					0	0
3. Dental Only .....					0	0
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....					0	0
7. Title XIX - Medicaid .....					0	0
8. Other health .....	42,086,137	1,685,035,848	17,846,384	14,539,784	59,932,521	115,324,366
9. Health subtotal (Lines 1 to 8) .....	42,086,137	1,685,035,848	17,846,384	14,539,784	59,932,521	115,324,366
10. Healthcare receivables (a) .....					0	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	13,906,647	13,664,724	100,000	29,354,327	14,006,647	14,381,096
13. Totals (Lines 9 - 10 + 11 + 12)	55,992,784	1,698,700,572	17,946,384	43,894,111	73,939,168	129,705,462

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred						Cumulative Net Amounts Paid				
						1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	.....	.....	.....	.....	40,096	45,998	51,006	51,045	47,950
2.	2011	.....	.....	.....	.....	679,352	697,805	693,473	691,112	690,927
3.	2012	.....	.....	.....	.....	XXX	1,101,306	1,086,295	1,083,530	1,080,661
4.	2013	.....	.....	.....	.....	XXX	XXX	2,361,536	2,497,752	2,495,277
5.	2014	.....	.....	.....	.....	XXX	XXX	XXX	1,939,436	2,004,054
6.	2015	.....	.....	.....	.....	XXX	XXX	XXX	XXX	1,698,701

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred						Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
						1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	.....	.....	.....	.....	53,421	56,805	54,385	51,728	47,977
2.	2011	.....	.....	.....	.....	710,649	707,410	697,711	692,622	691,698
3.	2012	.....	.....	.....	.....	XXX	1,105,981	1,098,755	1,086,608	1,082,610
4.	2013	.....	.....	.....	.....	XXX	XXX	2,545,281	2,526,879	2,502,890
5.	2014	.....	.....	.....	.....	XXX	XXX	XXX	2,034,743	2,011,641
6.	2015	.....	.....	.....	.....	XXX	XXX	XXX	XXX	1,742,595

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2011	.....	690,927	99,944	14.5	790,871	90.9	798	.....	791,669	91.0
2.	2012	.....	1,389,748	1,080,661	9.6	1,184,306	85.2	1,949	.....	1,186,255	85.4
3.	2013	.....	2,965,595	2,495,276	9.9	2,741,417	92.4	7,613	.....	2,749,030	92.7
4.	2014	.....	2,516,234	2,004,054	8.3	2,169,693	86.2	7,587	.....	2,177,280	86.5
5.	2015	.....	2,337,345	1,698,701	6.7	1,811,954	77.5	43,894	.....	1,855,848	79.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred						Cumulative Net Amounts Paid				
						1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	.....	.....	.....	.....	40,096	45,998	51,006	51,045	47,950
2.	2011	.....	.....	.....	.....	679,352	697,805	693,473	691,112	690,927
3.	2012	.....	.....	.....	.....	XXX	1,101,306	1,086,295	1,083,530	1,080,661
4.	2013	.....	.....	.....	.....	XXX	XXX	2,361,536	2,497,752	2,495,277
5.	2014	.....	.....	.....	.....	XXX	XXX	XXX	1,939,436	2,004,054
6.	2015	.....	.....	.....	.....	XXX	XXX	XXX	XXX	1,698,701

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred						Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
						1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	.....	.....	.....	.....	53,421	56,805	54,385	51,728	47,977
2.	2011	.....	.....	.....	.....	710,649	707,410	697,711	692,622	691,698
3.	2012	.....	.....	.....	.....	XXX	1,105,981	1,098,755	1,086,608	1,082,610
4.	2013	.....	.....	.....	.....	XXX	XXX	2,545,281	2,526,879	2,502,890
5.	2014	.....	.....	.....	.....	XXX	XXX	XXX	2,034,743	2,011,641
6.	2015	.....	.....	.....	.....	XXX	XXX	XXX	XXX	1,742,595

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2011	.....	.....	.....	.....	790,871	90.9	798	0	791,669	91.0
2.	2012	.....	.....	.....	.....	1,184,306	85.2	1,949	0	1,186,255	85.4
3.	2013	.....	.....	.....	.....	2,741,417	92.4	7,613	0	2,749,030	92.7
4.	2014	.....	.....	.....	.....	2,169,693	86.2	7,587	0	2,177,280	86.5
5.	2015	.....	.....	.....	.....	1,811,954	77.5	43,894	0	1,855,848	79.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	0								
2. Additional policy reserves (a) .....	0								
3. Reserve for future contingent benefits .....	0								
4. Reserve for rate credits or experience rating refunds (including \$ ..... ) for investment income .....	260,078,246								260,078,246
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	260,078,246	0	0	0	0	0	0	0	260,078,246
7. Reinsurance ceded .....	43,842,055								43,842,055
8. Totals (Net)(Page 3, Line 4) .....	216,236,191	0	0	0	0	0	0	0	216,236,191
9. Present value of amounts not yet due on claims .....	0								
10. Reserve for future contingent benefits .....	0								
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0								
14. Totals (Net)(Page 3, Line 7) .....	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ ..... premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ ..... for occupancy of own building) .....					0
2. Salary, wages and other benefits .....			6,252,018		6,252,018
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			31,547,549		31,547,549
4. Legal fees and expenses .....					0
5. Certifications and accreditation fees .....			61,800		61,800
6. Auditing, actuarial and other consulting services ....			392,700		392,700
7. Traveling expenses .....			108,613		108,613
8. Marketing and advertising .....					0
9. Postage, express and telephone .....			27,381		27,381
10. Printing and office supplies .....			54,360		54,360
11. Occupancy, depreciation and amortization .....					0
12. Equipment .....					0
13. Cost or depreciation of EDP equipment and software .....					0
14. Outsourced services including EDP, claims, and other services .....	2,209,941	43,360	3,705,951		5,959,252
15. Boards, bureaus and association fees .....					0
16. Insurance, except on real estate .....					0
17. Collection and bank service charges .....			174,676		174,676
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....	(8,075,257)	(35,322,891)	(37,622,673)		(81,020,821)
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....					0
22. Real estate taxes .....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			11,885,288		11,885,288
23.2 State premium taxes .....					0
23.3 Regulatory authority licenses and fees .....			151,919		151,919
23.4 Payroll taxes .....			426,408		426,408
23.5 Other (excluding federal income and real estate taxes) .....			59,708,650		59,708,650
24. Investment expenses not included elsewhere .....					0
25. Aggregate write-ins for expenses .....	30,903,886	138,278,330	133,908,241	0	303,090,457
26. Total expenses incurred (Lines 1 to 25) .....	25,038,570	102,998,799	210,782,881	0	(a) .....338,820,250
27. Less expenses unpaid December 31, current year ..			12,809,606		12,809,606
28. Add expenses unpaid December 31, prior year .....			5,388,075		5,388,075
29. Amounts receivable relating to uninsured plans, prior year .....	55,950	8,759,398	2,114,079		10,929,427
30. Amounts receivable relating to uninsured plans, current year .....	750,567	3,283,140	3,492,415		7,526,122
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	25,733,187	97,522,541	204,739,686	0	327,995,414
DETAILS OF WRITE-INS					
2501. Related party PBM Management fees .....	36,166,817	159,927,950	167,937,094		364,031,861
2502. CMS Fees .....			9,905,081		9,905,081
2503. Captive Reinsurance Expense Ceded-Related Party .....	(5,262,931)	(21,649,620)	(43,874,534)		(70,787,085)
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	(59,400)	0	(59,400)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	30,903,886	138,278,330	133,908,241	0	303,090,457

(a) Includes management fees of \$ .....364,031,861 to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds .....	(a) .....20,725	.....12,868
1.1	Bonds exempt from U.S. tax .....	(a) .....	.....
1.2	Other bonds (unaffiliated) .....	(a) .....38,438	.....53,462
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c) .....	.....
4.	Real estate .....	(d) .....	.....
5	Contract Loans .....	.....	.....
6	Cash, cash equivalents and short-term investments .....	(e) .....2,333	.....2,179
7	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	61,496	68,509
11.	Investment expenses .....		(g) .....0
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) .....0
13.	Interest expense .....		(h) .....
14.	Depreciation on real estate and other invested assets .....		(i) .....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....0
17.	Net investment income (Line 10 minus Line 16)		68,509
DETAILS OF WRITE-INS			
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ .....39,632 accrual of discount less \$ .....17,983 amortization of premium and less \$ .....10,432 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$. ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....					
1.1	Bonds exempt from U.S. tax .....					
1.2	Other bonds (unaffiliated) .....					
1.3	Bonds of affiliates .....					
2.1	Preferred stocks (unaffiliated) .....					
2.11	Preferred stocks of affiliates .....					
2.2	Common stocks (unaffiliated) .....					
2.21	Common stocks of affiliates .....					
3.	Mortgage loans .....					
4.	Real estate .....					
5.	Contract loans .....					
6.	Cash, cash equivalents and short-term investments .....					
7.	Derivative instruments .....					
8.	Other invested assets .....					
9.	Aggregate write-ins for capital gains (losses) .....					
10.	Total capital gains (losses)					
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....					
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	262,237		(262,237)
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	262,237	0	(262,237)
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	5,365,086	89,019,849	83,654,763
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....	168,070	3,747,698	3,579,628
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....	21,279	38,987	17,708
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....			0
21. Furniture and equipment, including health care delivery assets .....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....			0
25. Aggregate write-ins for other than invested assets .....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	5,816,672	92,806,534	86,989,862
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	5,816,672	92,806,534	86,989,862
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....						
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business.....	2,994,368	3,424,531	3,425,007	3,449,457	3,485,708	41,238,109
7. Total	2,994,368	3,424,531	3,425,007	3,449,457	3,485,708	41,238,109
DETAILS OF WRITE-INS						
0601. Medicare Part D .....	2,994,368	3,424,531	3,425,007	3,449,457	3,485,708	41,238,109
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	2,994,368	3,424,531	3,425,007	3,449,457	3,485,708	41,238,109

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

SilverScript Insurance Company (the “Company”), a Tennessee domiciled insurance company, is a wholly owned subsidiary of Part D Holding Company, L.L.C. (the “Parent”), and a wholly owned indirect subsidiary of CVS Health Corporation (the “Ultimate Parent”). The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance (the “Department”).

The Department recognizes only statutory accounting practices prescribed or permitted by the State of Tennessee for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under Tennessee Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed or permitted practices by the State of Tennessee.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and its practices prescribed and permitted by the State of Tennessee is shown below:

<u>NET INCOME :</u>		<u>Year ending</u> <u>December 31,</u> <u>2015</u>		<u>Year ending</u> <u>December 31,</u> <u>2014</u>	
	<u>State of Domicile</u>				
State basis	<u>Tennessee</u>	\$	37,989,272	\$	124,561,216
State Prescribed Practices that increase/(decrease)					
NAIC SAP:	<u>Tennessee</u>		-		-
State Permitted Practices that increase/(decrease)					
NAIC SAP:	<u>Tennessee</u>		-		-
NAIC SAP	<u>Tennessee</u>	\$	<u>37,989,272</u>	\$	<u>124,561,216</u>

<u>SURPLUS :</u>		<u>December 31,</u> <u>2015</u>		<u>December 31,</u> <u>2014</u>	
State basis	<u>Tennessee</u>	\$	613,714,968	\$	448,078,013
State Prescribed Practices that increase/(decrease)					
NAIC SAP:	<u>Tennessee</u>		(262,237)		-
State Permitted Practices that increase/(decrease)					
NAIC SAP:	<u>Tennessee</u>		-		-
NAIC SAP	<u>Tennessee</u>	\$	<u>613,977,205</u>	\$	<u>448,078,013</u>

The Company owns a special revenue bond with the U.S. territory of Puerto Rico. Based on Tennessee Code Ann. §56-1-405, the Company is required to non-admit special deposits held for the benefit of a specific state’s policyholders to the extent that the deposit exceeds liabilities associated with that state’s policyholders. Accordingly, the Company non-admitted its special deposit with Puerto Rico of \$262 thousand.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with the *Annual Statement Instructions* and Statutory Accounting Principles requires management to make estimates and assumptions that affect amounts reported on the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period.

C. Accounting Policy

The Company has adopted accounting policies with respect to particular accounts or transactions which could materially affect its assets, liabilities, capital and surplus or results of operations as follows:

- (1) Short-term investments include money market holdings that are stated at fair value. In addition, bonds with an original purchase maturity date of less than one year are stated at amortized cost using the straight-line method of amortization on premiums or discounts and are classified as short-term investments.
- (2) Bonds with an original purchase maturity date greater than one year are stated at amortized cost using the straight-line method of amortization on premiums or discounts. None of the Company's bonds became impaired during the year ending December 31, 2015 or 2014.
- (3) As of December 31, 2015 and 2014, the Company had 10.0 million shares, (\$1 par), of Class A common capital stock authorized, and 2.75 million of such shares issued and outstanding
- (4) Preferred Stocks: None
- (5) Mortgage Loans: None

# Notes to Financial Statements

**1. Summary of Significant Accounting Policies (continued)**

- (6) Loan-backed Securities: None
- (7) Investment in Subsidiaries, Controlled and Affiliated Companies: None
- (8) Joint Ventures, Partnerships, and Limited Liability Companies: None
- (9) Derivatives: None
- (10) The Company does not utilize anticipated investment income as a factor in determining premium deficiencies.
- (11) The Company has recorded estimates of incurred but not reported claims for claims paid by external entities and subsequently billed to the Company such as claims paid by state pharmaceutical assistance programs and for paper claims. Incurred but not reported claims are estimated based on historical experience.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) Amounts recorded in the Company's financial statements for pharmaceutical rebates are determined based on the amounts CVS Caremark Part D Services, L.L.C. ("Part D Services") an affiliates of the Parent Company, expects to collect from various pharmaceutical manufacturers.

**2. Accounting Changes and Corrections of Errors**

None

**3. Business Combinations and Goodwill**

- A. Statutory Purchase Method: None
- B. Statutory Merger: None
- C. Assumption Reinsurance: None
- D. Impairment Loss: None

**4. Discontinued Operations**

None

**5. Investments**

- A. Mortgage Loans, including Mezzanine Real Estate Loans: None
- B. Debt Restructuring: None
- C. Reverse Mortgages: None
- D. Loan-Backed Securities: None
- E. Repurchase Agreements and/or Securities Lending Transactions: None
- F. Real Estate: None
- G. Low-Income Housing Tax Credits ("LIHTC"): None

Notes to Financial Statements

5. Investments (continued)

H. Restricted Assets:

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase/(Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ 0	\$ 0	\$ 0	\$ 0	0.000 %	0.000 %
b. Collateral held under security lending agreements	0	0	0	0	0.000	0.000
c. Subject to repurchase agreements	0	0	0	0	0.000	0.000
d. Subject to reverse repurchase agreements	0	0	0	0	0.000	0.000
e. Subject to dollar repurchase agreements	0	0	0	0	0.000	0.000
f. Subject to dollar reverse repurchase agreements	0	0	0	0	0.000	0.000
g. Placed under option contracts	0	0	0	0	0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	0	0	0	0	0.000	0.000
i. FHLB capital stock	0	0	0	0	0.000	0.000
j. On deposit with states	3,671,311	3,676,518	(5,207)	3,671,311	0.154	0.154
k. On deposit with other regulatory bodies	262,237	508,091	(245,854)	0	0.011	0.000
l. Pledged collateral to FHLB (including assets backing funding agreements)	0	0	0	0	0.000	0.000
m. Pledged as collateral not captured in other categories	0	0	0	0	0.000	0.000
n. Other restricted assets	0	0	0	0	0.000	0.000
o. Total Restricted Assets	\$ 3,933,548	\$ 4,184,609	\$ (251,061)	\$ 3,671,311	0.164%	0.154%

(2) Detail of Assets Pledged as Collateral Not Captured in Other categories: None

(3) Detail of Other Restricted Assets: None

I. Working Capital Finance Investments: None

J. Offsetting and Netting of Assets and Liabilities: None

K. Structured Notes: None

Notes to Financial Statements

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:
- All investment income due and accrued with amounts over 90 days past due are excluded from surplus.
- B. The total amount excluded was: None

8. Derivative Instruments

None

9. Income Taxes

- A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

(1) DTA/DTL Components

Description		2015 Ordinary	2014 Ordinary	Change Ordinary
(a)	Gross deferred tax assets	\$ 73,998,784	\$ 33,356,984	\$ 40,641,800
(b)	Statutory valuation allowance adjustment	-	-	-
(c)	Adjusted gross deferred tax assets	73,998,784	33,356,984	40,641,800
(d)	Adjusted gross deferred tax assets non-admitted	(21,279)	(38,987)	17,708
(e)	Sub-total admitted adjusted gross deferred tax asset	73,977,505	33,317,997	40,659,508
(f)	Gross deferred tax liabilities	(165,562)	(181,584)	16,022
(g)	Net admitted deferred tax asset/(liability)	\$ 73,811,943	\$ 33,136,413	\$ 40,675,530

(2) Admission calculation components:

Description		2015 Ordinary	2014 Ordinary	Change Ordinary
Admission calculation under ¶11.a.-¶11.c.				
(a)	Admitted pursuant to ¶11.a. (loss carrybacks)	\$ 73,811,943	\$ 33,136,413	\$ 40,675,530
(b)	Admitted pursuant to ¶11.b. (Realization)	-	-	-
	Realization per ¶11.b.i.	-	-	-
	Limitation per ¶11.b.ii.	92,067,757	62,216,731	29,851,026
(c)	Admitted pursuant to ¶11.c.	-	-	-
	Deferred tax liabilities	(165,562)	(181,584)	16,022
(d)	Total admitted adjusted gross deferred tax asset	\$ 73,977,505	\$ 33,317,997	\$ 40,659,508

(3) Used in ¶11.b

- (a) Applicable ratio for realization limitation threshold table 1,308.67% and 661.16% for 2015 and 2014, respectively.

(4) There is no impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs.

- B. The Company does not have any unrecorded DTLs

Notes to Financial Statements

9. Income Taxes (continued)

C. Significant components of income taxes incurred.

(1) Current income taxes incurred consist of the following major components:

	Description	2015	2014
(a)	Current federal income tax expense / (benefit)	\$ 156,960,459	\$ 93,399,363
(b)	Foreign Income tax expense / (benefit)	-	-
(c)	Subtotal	156,960,459	93,399,363
(d)	Tax expense / (benefit) on realized capital gains / (losses)	-	-
(e)	Utilization of capital loss carryforwards	-	-
(f)	Other, including prior year underaccrual (overaccrual)	4,903,171	(7,372)
(g)	Federal and foreign income taxes incurred	\$ 161,863,630	\$ 97,391,991

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

(2) DTAs Resulting From

	Book/Tax Differences In	December 31, 2015	December 31, 2014	Change
(a)	Ordinary			
(1)	Discounting of unpaid losses and LAE	\$ 94,037	\$ 356,491	\$ (262,454)
(2)	Unearned premiums	315,073	253,735	61,338
(3)	Intangibles	240,224	278,116	(37,893)
(4)	Allowance-Manufacturer	61,012,048	-	61,012,048
(5)	Nonadmitted Assets	2,028,389	32,468,641	(30,440,253)
(6)	Net operating loss carryforward	-	-	-
(7)	Accrued Medical Incentive Pool	10,309,014	-	10,309,014
	Subtotal - Gross ordinary DTAs	\$ 73,998,784	\$ 33,356,984	\$ 40,641,800
	Statutory valuation adjustment adjustment - ordinary (-)	-	-	-
(b)	Nonadmitted ordinary DTAs (-)	(21,279)	(39,987)	17,708
(d)	Admitted ordinary DTAs	\$ 73,977,505	\$ 33,317,997	\$ 40,659,508

(3) DTLs Resulting From

	Book/Tax Differences In	December 31, 2015	December 31, 2014	Change
(a)	Ordinary			
(1)	Goodwill	\$ (165,562)	\$ (181,584)	\$ 16,022
(99)	Ordinary DTLs	\$ (165,562)	\$ (181,584)	\$ 16,022
(c)	DTLs	\$ (165,562)	\$ (181,584)	\$ 16,022
(4)	Net deferred tax assets/liabilities	\$ 73,811,943	\$ 33,136,413	\$ 40,675,530

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

Notes to Financial Statement

9. Income Taxes (continued)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-admitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31, 2015	December 31, 2014	Bal. Sheet Change
Total deferred tax assets	\$ 73,998,784	\$ 33,356,984	\$ 40,641,800
Total deferred tax liabilities	(165,562)	(181,584)	16,022
Net deferred tax assets/liabilities	\$ 73,833,222	\$ 33,175,400	\$ 40,657,822
Statutory valuation allowance adjustment	-	-	-
Net deferred tax assets/liabilities after SVA	\$ 73,833,222	\$ 33,175,400	\$ 40,657,822
Tax effect of unrealized gains/(losses)			-
Statutory valuation allowance adjustment allocated to unrealized (+)			-
Other intra-period allocation of deferred tax movement			-
Change in net deferred income tax (charge)/benefit			\$ 40,657,822)

D. Reconciliation of total statutory income taxes reported to tax at statutory tax rate:

The provisions for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes including realized capital gains/losses.

The significant items causing this difference are as follows:

Description	Amount	Statutory 35% Tax Effect	Effective Tax Rate
Income Before Taxes (including all realized capital gains / (losses))	\$199,991,286	\$ 69,996,950	35.00%
ACA fee	59,708,646	20,898,026	10.45%
Tax-Exempt Interest	(9,297)	(3,254)	0.00%
Dividends Received Deduction	-	-	-
Meals & Entertainment, Lobbying Expenses, etc	11,560	4,044	0.00%
Statutory Valuation Allowance Adjustment	-	-	-
Foreign tax rate differential	-	-	-
Impact of Non-Admitted Assets	86,972,154	30,440,254	15.22%
Other, Including Prior Year True-Up	(372,100)	(130,212)	-0.07%
Total	\$346,302,248	\$ 121,205,808	60.61%%
Federal income taxed incurred expense/(benefit)		161,863,630	80.94%
Change in net deferred income tax charge/(benefit)		(40,657,822)	-20.33%
Total statutory income taxes		\$ 121,205,808	60.61%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

The Company has no net operating losses, capital loss carryforwards or AMT credit carryforwards.

The income tax expense for 2015 and 2014 that is available for recoupment in the event of future net losses is \$156,960,459 and \$102,302,534

No deposits are admitted under IRC §6603.

F. Income tax loss contingencies

The Company does not have any income tax loss contingencies

G. The Company’s federal income tax return is consolidated with the following entities:

The Company's federal income tax return is consolidated with that of the Ultimate Parent and subsidiaries. The Company has a written tax sharing agreement with the Ultimate Parent, and its allocation of the Ultimate Parent's federal income taxes is based on the Company's federal tax liability determined as if the Company were filing its own separate tax return each year. The Company's tax sharing agreement with the Ultimate Parent provides that the Ultimate Parent will pay SilverScript for its net operating losses to the extent that such net operating loss is utilized in the reduction of the consolidated federal income tax liability.



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

## Notes to Financial Statement

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A., B., C During the year ending December 31, 2015 and 2014 the Company did not have any material transfer of assets to affiliates.

E. The Company reported a net \$85.9 million receivable from affiliates and \$451.9 million payable to affiliates as of December 31, 2015 and 2014, respectively.

F. The Company does not have any guarantees or undertakings for the benefit of an affiliate, which result in a material contingent exposure of the Company's or any related party's assets or liabilities.

G. The following is a description of management and service contracts and cost sharing agreements involving the Company and any related party:

In general, the Company relies on its Parent Company and other affiliates under common control of the Ultimate Parent for all support and operations functions. For specific owner/affiliate relationships, refer to the Legal Entities Organizational Chart contained in Schedule Y.

Except for amounts due to other PDPs, all claims paid and incurred are based on amounts billed by the Parent Company and its affiliates for pharmacy claims filled by pharmacies in the Parent Company's pharmacy network or claims submitted to the Parent Company for pharmacy claims paid by state agencies.

Additionally, all pharmaceutical rebates are received or receivable from Part D Services, which contracts with pharmaceutical manufacturers for such rebates.

The Company owes the Parent Company and its affiliates a net payable of \$180.1 million and \$682.9 million as of December 31, 2015 and 2014, respectively.

The following is a summary of the financial statement presentation of amounts due to the Company's Parent and affiliates.

Liabilities, Capital and Surplus	December 31, 2015	December 31, 2014
Unpaid claims (line 1)	\$ -	\$ 76,862,186
Taxes payable (lines 9 & 10.1)	168,127,075	101,758,033
Ceded Reinsurance Premiums payable (line 11)	97,817,852	52,390,590
Amounts due (from) to parent, subsidiaries and affiliates (line 23)	(85,886,892)	451,922,329
	<u>\$ 180,058,034</u>	<u>\$ 682,933,138</u>

Claims unpaid represent an insured liability of the Company and is included in the accompanying balance sheets. As of December 31, 2015, the Company reported a receivable from affiliates of \$85.6 million as a result of prefunding of claims activity. The total amount of \$85.6 million was relieved in the first week of January 2016 by being applied to the first cycle of claims. Ceded reinsurance premiums payable is related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., an affiliate of the Company. Amounts due to parent, subsidiaries and affiliates is primarily comprised of amounts due for uninsured pharmacy claims processed, management fees from the Parent Company and intercompany funding.

The Company pays Part D Services a management fee for sales, accounting, tax, legal, information technology, compliance, claims processing and other administrative functions under a management services agreement that has been filed with the Department. The management fee is assessed on a per-member, per-month ("pmpm") and a per claim basis.

In addition, related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., the Company recognizes a reduction of expenses related to ceded expenses.

The following is a summary of the financial statement presentation of management fees incurred from Part D Services and reinsurance expenses ceded to the CVS Caremark Indemnity, Ltd.:

Statement of Revenue and Expenses	December 31, 2015	December 31, 2014
Management fee		
Claims adjustment expenses(line 20)	\$ 196,094,768	\$ 274,229,423
General and administrative expenses (line 21)	167,937,093	65,765,144
Total management fee	<u>\$ 364,031,861</u>	<u>\$ 339,994,567</u>
Reinsurance expenses ceded		
Claims adjustment expenses(line 20)	\$ 26,912,551	\$ 46,530,828
General and administrative expenses (line 21)	43,874,534	27,640,606
Total reinsurance expenses ceded	<u>\$ 70,787,085</u>	<u>\$ 74,171,434</u>

## Notes to Financial Statement

### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (continued)

Payment terms require the Company to pay Part D Services all invoiced amounts for Claims and service fees thirty days in arrears after the Company receives an invoice. The settlement of rebates happens within sixty days of the beginning of the calendar quarter following receipt of such rebates by Part D Services.

The Company has a written tax-sharing agreement with the Ultimate Parent, and its allocation of the Ultimate Parent's federal and state income and premium taxes is based on the Company's federal and state tax liability determined as if the Company were filing its own separate tax return each year. The Company's tax sharing agreement with the Ultimate Parent provides that the Ultimate Parent will pay the Company for its net operating losses to the extent that such net operating loss is utilized in the reduction of the consolidated federal income tax liability.

As of December 31, 2015 and 2014, the Company owed the Ultimate Parent \$157.0 million and \$97.4 million, respectively, for federal income taxes, which is reported as *current federal and foreign income tax payable* in the Statement of Liabilities, Capital and Surplus. As of December 31, 2015 and 2014, the Company owed the Ultimate Parent \$11.2 million and \$4.3 million, respectively, for state taxes, which is reported as *general expenses due or accrued* in the Statement of Liabilities, Capital and Surplus. Intercompany tax balances are settled annually.

- G. All outstanding shares of the Company are owned by the Parent Company.
- H. The Company does not own shares of stock of its Parent Company.
- I. The Company does not hold any interest in another company or limited partnership.
- J. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
- K. The Company does not have any investments in a foreign insurance subsidiary.
- L. The Company did not have any investments in a downstream non-insurance holding company.

### 11. Debt

None

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No change.

### 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) As of December 31, 2015 and 2014, the Company had 10.0 million shares, (\$1 par); of Class A *common capital stock* authorized and 2.75 million of such shares issued and outstanding.
- (2) The Company has no preferred stock outstanding.
- (3) Without prior approval of the domiciliary commissioner, dividends to shareholders are limited by the laws of Tennessee and are based on the restrictions relating to statutory surplus.
- (4) No dividends were paid by the Company during the year ending December 31, 2015 and 2014.
- (5) The portion of the Company's profits that may be paid as ordinary dividends are limited by the laws of Tennessee. Tennessee law states that ordinary dividends must follow Tennessee Code Ann. § 56-11-105(e) and Tennessee Code Ann. § 56-11-106(b) for extraordinary dividends. Ordinary dividends from the previous twelve months are limited to the greater of ten percent of surplus or the net gain from operations.

Based on the previous financial statements, the Company would be permitted a \$115.4 million ordinary dividend based on 2015 net income. The Company does not currently intend to issue any dividends in 2016.

- (6) The Company is subject to certain Risk-Based Capital ("RBC") requirements as specified by the NAIC. Under those requirements, the amount of capital and surplus maintained by a life/health insurance company is to be determined based on the various risk factors related to it. As of December 31, 2015 and 2014, there were no restrictions placed on the unassigned funds (surplus).
- (7) The Company has no mutual reciprocals or any similarly organized entities.
- (8) The Company does not hold any stock of the Ultimate Parent, including stock of affiliated entities for special purposes.
- (9) The Company had a special surplus of \$52.4 million and \$61.6 million as of December 31, 2015 and 2014, respectively. The balance reported as special surplus funds is due to health plan fees incurred under Section 9010 of the Affordable Care Act ("ACA").
- (10) As of December 31, 2015 and 2014, the Company had no unrealized gains or losses.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

## Notes to Financial Statement

**13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations**

- (11) The Company did not issue any surplus debenture of similar obligations.
- (12) The Company did not experience an impact of any restatement due to prior quasi-reorganization.
- (13) Not applicable.

**14. Liabilities, Contingencies and Assessments**

- A. Contingent Commitments: None
- B. Assessments: None
- C. Gain Contingencies: None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: None
- E. Joint and Several Liabilities: None
- F. All Other Contingencies:
- a. Bad debt write-offs totaled 111.3 million during the year 2015. In the first quarter of 2015, the Company did a write-off of \$50.8 million, and included all the receivable balances outstanding as of December 31, 2013. In the fourth quarter of 2015, the Company processed another write-off in the amount of \$55.5 million, and included all receivable balances outstanding as of December 23, 2015. The remaining \$5 million represent write-offs that happened throughout the year as part of the regular account receivables activities. These balances were previously reported as non-admitted assets.

As of December 31, 2014, the Company did a write-off of all members receivable balances outstanding as of 2014 for plus members. The total amount of the write-off was \$28 million.

**15. Leases**

- A. Lessee Operating Lease: None
- B. Lessor Leases: None

**16. Information about Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

None

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

- A. Transfers of Receivables Reported as Sales: None
- B. Transfer and Servicing of Financial Assets: None
- C. Wash Sales: None

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

- A. ASO Plans: None
- B. ASC Plans

For the year ending December 31, 2015 and 2014, the gain from operations from Administrative Services Contract (“ASC”) with uninsured plans is as follows:

**December 31, 2015**

		ASC Uninsured Plans		Uninsured Portion of Partially Insured Plans		Total ASC
a.	Gross reimbursement for medical costs incurred	\$ 2,137,316,676	\$	-	\$	2,137,316,676
b.	Gross administrative fees accrued	80,972,598		-		80,972,598
c.	Other income or expense (including interest paid to or received from plans)	-		-		-
d.	Gross expenses incurred (claims and administrative)	(2,218,289,274)		-		(2,218,289,274)
e	Total Net Operations	\$ -	\$	-	\$	-

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

Notes to Financial Statement

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans (continued)

December 31, 2014

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
Gross reimbursement for medical costs incurred	\$ 2,002,501,149	\$ -	\$ 2,002,501,149
Gross administrative fees accrued	85,771,845	-	85,771,845
Other income or expense (including interest paid to or received from plans)	-	-	-
Gross expenses incurred (claims and administrative)	(2,088,272,994)	-	(2,088,272,994)
Total Net Operations	\$ -	\$ -	\$ -

Medicare and other Similarly Structured Cost Based Reimbursement Contract:

- (1) Revenue and prescription drug amounts for the year ending December 31, 2015 and 2014, exclude \$9,610.2 million and \$8,963.9 million, respectively, in subsidies from the Centers for Medicare and Medicaid Services (“CMS”) for catastrophic reinsurance subsidies, low income cost sharing subsidies (“LICS”) and the coverage gap discount program (“CGDP”) pursuant to the Company’s contracts with CMS
- (2) As of December 31, 2015 and 2014, *amounts receivable relating to uninsured plans* includes the following:

	<u>12/31/2015</u>	<u>12/31/2014</u>
CMS settlement-2009	\$ -	\$ 1,979,708
CMS settlement-2010	3,635,546	2,019,697,730
CMS settlement-2015	1,744,374,810	-
Coverage gap discount	289,481,561	519,262,565
Unbilled group AR	115,600,758	105,242,963
Billed group AR	1,470,794	4,687,662
<b>Total amounts receivable related to uninsured plans</b>	<b>\$ 2,154,563,470</b>	<b>\$ 2,650,870,627</b>

Settlement amounts due to or from CMS for a plan year for LICS and drugs covered by the catastrophic reinsurance feature are typically settled in the fourth quarter of the following year. The Company received \$1,967.5 million on October 30, 2015 for the 2014 settlement and has recorded an asset of \$1,744.4 million related to the 2015 plan year, expected to be collected on November 1, 2016. The Company collected the 2010 CMS settlement on January 3, 2016 in the amount of \$3.6 million.

Unbilled group AR represents the last week of claims for the month that are billed to the respective groups the first week of the following month.

Coverage gap discount receivable represents amounts invoiced by CMS to manufacturers on the Company’s behalf. Fluctuations in this balance are due to timing of when CMS invoices the manufacturers and when collections are received.

- (3) As of December 31, 2015 and 2014, there were no allowances or reserves for adjustment of recorded revenues.
- (4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Fair Value Measurements

SSAP 100, *Fair Value Measurements*, defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States, and enhances disclosures about fair value measurements. SSAP 100 provides guidance on how to measure fair value when required under existing accounting standards.

The statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels (“Level 1, 2 and 3”).

Level 1 inputs are observable inputs that reflect quoted prices for identical assets or liabilities in active markets the Company has the ability to access at the measurement date. Level 2 inputs are observable inputs, other than quoted prices included in Level 1, for the asset or liability. Level 3 inputs are unobservable inputs reflecting the Company’s estimates of the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

## Notes to Financial Statement

20. Fair Value Measurements (continued)

The hierarchy requires the use of market observable information when available for assessing fair value. As the fair value of the Company’s U.S. Treasury securities are based on unadjusted market prices, they are classified within Level 1.

The following methods and assumptions were used by the Company in estimating the “fair value” disclosures for financial instruments in the accompanying financial statements and notes thereto:

*Cash and short-term investments:* The carrying amounts reported in the accompany balance sheets for these financial instruments approximate their fair values.

*Investment Securities:* Fair values for bonds are based on the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company utilizes the three-level valuation hierarchy for the recognition and disclosure of fair value measurements. The categorization of assets and liabilities within this hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy consist of the following.

- *Level 1* - Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- *Level 2* - Inputs to the valuation methodology are quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active or inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.
- *Level 3* - Inputs to the valuation methodology are unobservable inputs based upon management’s best estimate of inputs market participants could use in pricing the asset or liability at the measurement date, including assumptions about risk.

(1) Fair Value Measurements at Reporting Date:

**December 31, 2015**

<b>Description for each class of asset or liability</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>	<b>Total</b>
Assets at fair value				
Cash	\$ (2,516,507)	\$ -	\$ -	\$ (2,516,507)
Short-Term investments	56,821,646	-	-	56,821,646
Matured investment being held by State for release	-	-	-	-
Total Assets at fair value	\$ 54,305,139	\$ -	\$ -	\$ 54,305,139

**December 31, 2014**

<b>Description for each class of asset or liability</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>	<b>Total</b>
Assets at fair value				
Cash	\$ (420,018)	\$ -	\$ -	\$ (420,018)
Short-Term investments	64,189,764	-	-	64,189,764
Matured investment being held by State for release	-	-	-	-
Total Assets at fair value	\$ 63,769,746	\$ -	\$ -	\$ 63,769,746

There have been no transfers between Level 1 and Level 2 of the Fair Value Hierarchy in the current reporting period.

(2) Fair Value Measurement (Level 3) of the Fair Value Hierarchy: Not Applicable

(3) Fair Value Measurement (Level 3) Transfers: Not Applicable

(4) Inputs for Valuation of Fair Value of Level 2 and Level 3 Investments: Bank valuation provided in monthly statements are utilized to estimate fair market value.

(5) Fair Value of Derivative Assets and Liabilities: Not Applicable

A. Other Accounting Pronouncements: Not Applicable

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

## Notes to Financial Statement

20. Fair Value Measurements (continued)

B. Aggregate fair value for all financial instruments at reporting date:

December 31, 2015

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 2,635,748	\$ 2,506,282	\$ 2,506,282	\$ -	\$ -	\$ -
Cash	\$ (2,516,507)	\$ (2,516,507)	\$ (2,516,507)	\$ -	\$ -	\$ -
Short Term Investments	\$ 56,821,646	\$ 56,821,646	\$ 56,821,646	\$ -	\$ -	\$ -

December 31, 2014

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 2,806,317	\$ 2,819,579	\$ 2,304,257	\$ 502,060	\$ -	\$ -
Cash	\$ (420,018)	\$ (420,018)	\$ (420,018)	\$ -	\$ -	\$ -
Short Term Investments	\$ 64,189,764	\$ 64,189,764	\$ 64,189,764	\$ -	\$ -	\$ -

C. Not Practicable to Estimate Fair Value

As of December 31, 2015 and 2014, the Company did not own any financial instruments that were not practicable to estimate fair value.

Money market funds in active markets are classified within Level 1 as fair values are based on quoted market prices.

As of December 31, 2015, bonds, and short-term investments with an admitted asset value of \$2.5 million, and \$1.2 million, respectively, were on deposit with state insurance and other departments to satisfy regulatory requirements.

As of December 31, 2014, bonds, short-term investments and cash with an admitted asset value of \$2.8 million, \$1.2 million, and \$0.2 million, respectively, were on deposit with state insurance and other departments to satisfy regulatory requirements.

Management regularly reviews the value of the Company’s investments. If the value of any investment falls below its cost basis, the decline is analyzed to determine whether it is an other-than-temporary decline in value. To make this determination for each security, the following is considered:

- The length of time and the extent to which the fair value has been below cost;
- The financial condition and near-term prospects of the issuer of the security, including any specific events that may affect its operations or earnings potential; and
- Management’s intent and ability to hold the security long enough for it to recover its value.

Based on that analysis, management makes a judgment as to whether the loss is other-than-temporary. If the loss is other-than-temporary, an impairment charge is recorded within net realized investment gains (losses) in the statements of operations in the period the determination is made. For the year ending December 31, 2015 and 2014, management determined that none of the Company’s investments had sustained an other-than-temporary decline in value.

21. Other Items

- A. Extraordinary Items: None
- B. Troubled Debt Restructuring - Debtors: None
- C. Other Disclosures and Unusual Items: During the fourth quarter of 2015, the Company recorded an expense of \$594 thousand pertaining to a CMS program audit. The expense was reported as a write-in for other income or expenses, in line 29 of the Statement of Revenue and Expenses as of December 31, 2015.
- D. Business Interruption Insurance Recoveries: None
- E. State Transferable Tax Credits: None
- F. Subprime-Mortgage-Related Risk Exposure: None
- G. Retained Assets: None

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

Notes to Financial Statement

22. Events Subsequent

The Company has segregated from *unassigned funds* \$52.4 million as a write in to *Aggregate write-ins for special surplus*.

	<u>Current Year</u>	<u>Prior Year</u>
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act?	YES	YES
B. ACA fee assessment payable for the upcoming year	\$ 52,449,451	\$ 61,556,686
C. ACA fee assessment paid	\$ 59,708,646	\$ 57,293,636
D. Premium written subject to ACA 9010 assessment	\$ 2,916,252,649	\$ 3,156,663,057
E. Total Adjusted Capital before surplus adjustment	\$ 646,921,460	\$ 448,078,013
F. Total Adjusted Capital after surplus adjustment	\$ 561,265,517	\$ 386,521,327
G. Authorized Control Level after surplus adjustment	\$ 41,243,080	\$ 62,762,625
H. Would reporting the ACA assessment as of December 31, 2015, have triggered an RBC action level (YES/NO)?	No	No

The Company has assessed and concluded that there were no other material subsequent events, through February 26, 2016, the date which the financial statements were available to be issued.

23. Reinsurance

A. Ceded Reinsurance Report

The Company entered into a reinsurance agreement with FirstCare, an unaffiliated authorized insurance company, effective July 11, 2014 in which the Company cedes 100% of the business on an acquired contract to FirstCare. Effective January 1, 2015, the FirstCare membership was novated into the Company and the FirstCare contract (\$5766) is no longer an active contract with CMS. The Company’s ceded premiums totaled (\$3.4) million during the year ending December 31, 2015 as a result of the MLR (*Medical loss ratio*) payable to CMS for plan year 2014’s MLR requirements. During the year ending December 31, 2014, the Company’s ceded premiums totaled \$15.1 million from purchase date through December 31, 2014.

Neither the Company nor any of its related parties control, directly or indirectly, First Care. No policies to First Care issued by the Company have been reinsured with a foreign company, which is controlled, either directly or indirectly, by a party not primarily engaged in the business of insurance. The Company does not have any reinsurance agreements in effect under which First Care may unilaterally cancel the agreement. As of December 31, 2015 there are no reinsurance agreements in effect such that the amount of losses paid or accrued exceed the total direct premium collected for First Care.

The Company has a quota share reinsurance agreement with an affiliate of the Parent Company, CVS Caremark Indemnity, Ltd., a Bermuda domiciled insurer. Under the terms of this agreement, the Company cedes 20% of the Company’s share of the risk associated with individual and group premiums and claims. This agreement was approved by the Department on August 15, 2011, and was retroactive to January 1, 2011.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

Notes to Financial Statement

23. Reinsurance (continued)

The following is a financial summary of the ceded amounts and related expenses under this agreement:

	<u>Year ending</u> <u>December 31, 2015</u>		<u>Year ending</u> <u>December 31, 2014</u>	
<b>Statement of Revenue and Expense:</b>				
Premiums	\$	594,967,446	\$	626,614,729
Benefits		(425,445,479)		(498,502,978)
Commissions expense		(71,217,626)		(74,238,026)
Interest (revenue) expense		430,541		66,593
Total revenue and expense ceded	\$	98,734,882	\$	53,940,318
<b>Balance Sheet:</b>				
Claims unpaid	\$	3,634,946	\$	27,522,498
Aggregate health policy reserves		40,471,272		47,116,664
Accrued retrospective premiums		-		-
Premiums received in advance		1,035,857		896,844
Premiums receivable		(3,222,869)		(3,400,305)
Accrued incentive pool		7,338,582		3,595,274
Total ceded balance sheet Items	\$	49,257,787	\$	75,730,975
<b>Settlement of Prior Year Activity</b>				
	\$	(917,030)	\$	(1,549,727)
Funds held by or deposited with reinsured companies	\$	633,682,246	\$	671,294,524
Funds held under reinsurance treaties with unauthorized reinsurers		(486,606,607)		(543,172,958)
Amount due to CVS Caremark Indemnity, Ltd.	\$	147,075,639	\$	128,121,566

B. Uncollectible Reinsurance: None

C. Commutation of Ceded Reinsurance

T  
The Company did not commute any ceded reinsurance nor did it enter into or engage in any agreement that reinsures policies or contracts that were in-force or had existing reserves as of the effective date of such agreements.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company's Medicare Part D contract with CMS contains a risk corridor feature. Due to the risk corridor feature, the Company's business is accounted for as a retrospectively rated contract. The Company estimates retrospective premium adjustments using a mathematical approach based on the Company's underwriting experience. As of December 31, 2015 and 2014, accrued retroactive premium adjustments were reported as an *aggregate health policy reserves* in the amount of \$216.2 million and \$225.7 million, respectively.
- B. The Company records the risk corridor adjustment as an adjustment to earned premiums.
- C. The amount of net direct premiums written by the Company during the year ending December 31, 2015 and 2014 that was subject to the retrospective rating feature was \$2,916.3 million and \$3,146.9 million, respectively, which represented 98% and 92%, respectively, of the total premiums written, excluding risk corridor adjustment.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act: The Company has recorded a liability of \$3.4 million to CMS for the 2014 FirstCare MLR. As part of the reinsurance agreement described in footnote #23, the Company has also recorded a receivable from FirstCare recoverable in the form of reinsurance premiums.
- E. Risk Sharing Provisions of the ACA: The Company only offers health insurance coverage under Medicare Part D and is not a qualified health plan under the definition of the ACA.

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?

No



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

**Notes to Financial Statement**

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (continued)**

- (2) Impact of Risk-Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year
- a. Permanent ACA Risk Adjustment Program
- Assets
1. Premium adjustments receivable due to ACA Risk Adjustment: None
- Liabilities
2. Risk adjustment user fees payable for ACA Risk Adjustment: None
3. Premium adjustments payable due to ACA Risk Adjustment: None
- Operations (Revenue & Expense)
4. Reported as revenue in premium for accident and health contracts due to ACA Risk Adjustment: None
5. Reported in expenses as ACA Risk Adjustment user fees: None
- b. Transitional ACA Reinsurance Program
- Assets
1. Amounts recoverable for claims paid due to ACA Reinsurance: None
2. Amounts recoverable for claims unpaid due to ACA Reinsurance: None
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance: None
- Liabilities
4. Liabilities for contributions payable due to ACA Reinsurance: None
5. Ceded reinsurance premiums payable due to ACA Reinsurance: None
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance: None
- Operations (Revenue & Expense)
7. Ceded reinsurance premiums due to ACA Reinsurance: None
8. Reinsurance recoveries due to ACA Reinsurance payments or expected payments: None
9. ACA Reinsurance contributions: None
- c. Temporary ACA Risk Corridors Program
- Assets
1. Accrued retrospective premium due to ACA Risk Corridors: None
2. Reserve for rate credits or policy experience ratings refunds due to ACA Risk Corridor: None
- Operations (Revenue & Expense)
3. Effect of ACA Risk Corridors on net premium income: None
4. Effect of ACA Risk Corridors on change in reserves for rate credits: None

**25. Change in Incurred Claims and Claim Adjustment Expenses**

The following table provides a reconciliation of the beginning and ending balances of claims unpaid, accruals for medical incentive pool and bonus, and health care receivables as follows:

	<b>Year Ended December 31, 2015</b>	<b>Year Ended December 31, 2014</b>
Balances as of January 1:		
Reserves for unpaid claims	\$ 115,324,366	\$ 203,622,464
Reserve for incentive pools	14,381,096	200,000
	<u>\$ 129,705,462</u>	<u>\$ 203,822,464</u>
Incurred related to:		
Current year	\$ 1,742,594,683	\$ 2,034,743,325
Prior year	(55,766,294)	(38,294,951)
	<u>\$ 1,686,828,389</u>	<u>\$ 1,996,448,374</u>
Paid (received) related to:		
Current year	\$ 1,698,700,572	\$ 1,939,436,406
Prior year	55,992,784	131,128,970
	<u>\$ 1,754,693,356</u>	<u>\$ 2,070,565,376</u>
Balances as of December 31, 2015 and 2014:		
Reserves for unpaid claims	\$ 32,386,168	\$ 115,324,366
Reserve for incentive pools	29,454,327	14,381,096
	<u>\$ 61,840,495</u>	<u>\$ 129,705,462</u>

Changes in prior year reserves are generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding claims. It is at least reasonably possible that a further change in the incurred but not reported claims could occur within one year from the date of these financial statements and that such a change in these estimates could be material to the financial statements.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

## Notes to Financial Statement

**25. Change in Incurred Claims and Claim Adjustment Expenses (continued)**

During 2015, the Company experienced \$55.8 million of favorable prior year claims development, all of which related to retrospectively rated policies. This favorable development occurred due primarily to favorable pharmaceutical rebates related to the prior year credits to the Company by Part D Services. In addition, there were changes in the valuation of settlement amounts with CMS and favorable claim run out activity related to prior years.

During 2014, the Company experienced \$38.3 million of favorable prior year claims development, all of which related to retrospectively rated policies. This favorable development occurred due primarily to reductions in reserve levels associated with favorable claim run out activity and additional pharmaceutical rebates related to the prior year credited to the Company by Part D Service. These amounts do not include the LICS, CGDP or reinsurance portions of claims that have been or will be reimbursed by CMS or drug manufacturers.

**26. Intercompany Pooling Arrangements**

None

**27. Structured Settlements**

None

**28. Health Care Receivables**

The Company has contracted with its Part D Services for pharmaceutical rebates. Amounts recorded in the Company's financial statements are determined based on the amounts the Part D Services has collected or expects to collect as invoiced or otherwise confirmed by Part D Services. The Company reports pharmaceutical rebates due to/from Part D Services as health care receivables. Due to the overfunding received from Part D Services, the Company records zero health care receivables at the end of each reporting period. All rebates are determined to be received within 90 days of billing.

A. Pharmaceutical Rebate Receivables:

Quarter	Estimated Pharmacy Rebates Pertaining to Current Quarter Scripts Filled and as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
	\$	\$		\$	\$
12/31/2015	1,350,151,915	1,350,151,915	\$ 1,350,151,915	-	-
9/30/2015	1,301,148,795	1,307,109,000	1,307,109,000	-	-
6/30/2015	1,240,858,947	1,244,385,237	1,244,385,237	-	-
3/31/2015	1,137,920,337	1,150,982,085	1,150,982,085	-	-
12/31/2014	1,048,350,504	1,053,095,632	1,053,095,632		
9/30/2014	985,349,924	1,002,616,898	1,002,616,898	-	-
6/30/2014	887,340,228	911,826,052	911,826,052	-	-
3/31/2014	840,093,937	844,743,498	844,743,498	-	-
12/31/2013	848,627,331	852,682,185	852,682,185	-	-
9/30/2013	810,829,528	822,402,388	822,402,388	-	-
6/30/2013	731,002,181	731,938,650	731,938,650	-	-
3/31/2013	668,954,875	704,349,149	704,349,149	-	-

B. Risk Sharing Receivables:

None

**29. Participating Policies**

None

**30. Premium Deficiency Reserves**

None

**31. Anticipated Salvage and Subrogation**

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [ X ] No [ ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....

Yes [ X ] No [ ] N/A [ ]

1.3

State Regulating? .....

Tennessee

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ] No [ X ]

2.2

If yes, date of change: .....

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2013

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2013

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

06/17/2015

3.4

By what department or departments?  
State of Tennessee, Department of Commerce and Insurance .....

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes [ ] No [ ] N/A [ X ]

3.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ X ] No [ ] N/A [ ]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? .....  
4.12 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? .....  
4.22 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes [ ] No [ X ]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes [ ] No [ X ]

6.2

If yes, give full information: .....

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....

Yes [ ] No [ X ]

7.2

If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? .....

Yes [ ] No [ X ]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms? .....

Yes [ ] No [ X ]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.  
.....

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Ernst & Young, 200 Clarendon St., Boston MA 02116
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? .....

Yes [ ] No [ X ]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? .....

Yes [ ] No [ X ]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? .....

Yes [ ] No [ ] N/A [ X ]
- 10.6

If the response to 10.5 is no or n/a, please explain  
Exempt status per DOI .....
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Rebecca Conway Justice, Actuary, CVS Health, 29100 Aurora Rd. Solon, OH 44139 .....
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? .....

Yes [ ] No [ X ]
- 12.11 Name of real estate holding company .....
- 12.12 Number of parcels involved .....
- 12.13 Total book/adjusted carrying value .....\$ .....
- 12.2

If, yes provide explanation:  
.....
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? .....

Yes [ ] No [ ]
- 13.3

Have there been any changes made to any of the trust indentures during the year? .....

Yes [ ] No [ ]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? .....

Yes [ ] No [ ] N/A [ ]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....

Yes [ X ] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:  
.....
- 14.2

Has the code of ethics for senior managers been amended? .....

Yes [ ] No [ X ]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers? .....

Yes [ ] No [ X ]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2  Issuing or Confirming Bank Name	3  Circumstances That Can Trigger the Letter of Credit	4  Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [ X ] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$

20.12 To stockholders not officers\$

20.13 Trustees, supreme or grand (Fraternal Only)\$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$

20.22 To stockholders not officers\$

20.23 Trustees, supreme or grand (Fraternal Only)\$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$

21.22 Borrowed from others\$

21.23 Leased from others\$

21.24 Other\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ X ] No [ ]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$

22.22 Amount paid as expenses\$59,708,646

22.23 Other amounts paid\$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$85,886,892

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ ] No [ X ]
- 24.02 If no, give full and complete information relating thereto  
SilverScript Insurance Company has Statutory Deposits with several states
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.\$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.\$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	
		25.28 On deposit with states	\$	3,671,311
		25.29 On deposit with other regulatory bodies	\$	262,237
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ☐ No ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☐ N/A ☐  
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes ☐ No ☒

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes ☒ No ☐

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Bank of America, N.A.	1655 Grant Street, Concord, CA 94520
Bank of America, N.A.	200 N College Street, Charlotte, NC 28255
Regions Bank	400 West Capitol, Little Rock, AR 72201
Suntrust	919 East Main Street, 7th Floor, Richmond, VA 23219
US Bank	225 Water Street, Ste. 700, Jacksonville, FL 32202
Xerox State & Local Solutions, Inc.	100 Hancock Street, 10th Floor, Quincy, MA 02171

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes ☐ No ☒

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

GENERAL INTERROGATORIES

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?
- Yes [ ] No [ X ]
- 29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 - Total		0

- 29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	59,327,928	59,457,394	129,466
30.2 Preferred stocks .....	0		0
30.3 Totals	59,327,928	59,457,394	129,466

- 30.4 Describe the sources or methods utilized in determining the fair values:  
Fair value is determined by a broker or custodian. ....
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ X ] No [ ]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ X ] No [ ]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]
- 32.2 If no, list exceptions:  
.....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....61,800

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
A.M Best Company .....	61,800
.....	.....

34.1 Amount of payments for legal expenses, if any? .....\$ .....0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....
.....	.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....
.....	.....



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ] No [ X ]

1.2

If yes, indicate premium earned on U.S. business only.

\$

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

2,331,299,666

2,519,810,780

2.2

Premium Denominator

2,331,299,666

2,519,810,780

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

278,076,686

355,357,529

2.5

Reserve Denominator

278,076,686

355,357,529

2.6

Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [ ] No [ X ]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [ ] No [ X ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ ] No [ X ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ ] No [ X ]

5.2

If no, explain:  
The Company has a quota share reinsurance agreement with an affiliate of the Parent Company.

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental & Vision

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
The Company is in compliance with NAIC RBC requirements.

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [ X ] No [ ]

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

68,000

8.2

Number of providers at end of reporting year

69,615

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [ ] No [ X ]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$

9.22

Business with rate guarantees over 36 months

\$

28

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ X ] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$ 42,644,602

10.22 Amount actually paid for year bonuses.....\$ 27,571,371

10.23 Maximum amount payable withholds.....\$ 0

10.24 Amount actually paid for year withholds.....\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, ..... Yes [ ] No [ X ]

11.13 An Individual Practice Association (IPA), or, . Yes [ ] No [ X ]

11.14 A Mixed Model (combination of above)? ..... Yes [ ] No [ X ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes [ X ] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... Wisconsin

11.4 If yes, show the amount required. .... \$ 179,510,074

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [ X ]

11.6 If the amount is calculated, show the calculation

2,331,299,666 (Total premiums) x .07= 163,190,977 x 110% = 179,510,074

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
All States listed in Schedule T .....
.....

13.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$ .....

13.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

13.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$ .....

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [ X ] No [ ] N/A [ ]

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
First Care, Inc. ....	60113 .....	MD.....	.....	.....	.....	.....
Hartford Life & Accident Ins. Co .....	70815 .....	CT.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written .....\$ .....

15.2 Total Incurred Claims .....\$ .....

15.3 Number of Covered Lives .....

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurantee)
Universal Life (with or without secondary gurantee)
Variable Universal Life (with or without secondary gurantee)

FIVE-YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	2,385,680,862	2,764,215,754	2,479,404,546	775,857,263	487,614,690
2. Total liabilities (Page 3, Line 24) .....	1,771,965,894	2,316,137,741	2,147,542,442	489,849,644	305,906,967
3. Statutory minimum capital and surplus requirement .....	179,510,074	194,025,430	239,611,852	113,806,247	69,662,374
4. Total capital and surplus (Page 3, Line 33) .....	613,714,968	448,078,013	331,862,104	286,007,619	181,707,723
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	2,337,344,758	2,516,234,178	2,965,594,606	1,389,747,665	870,312,485
6. Total medical and hospital expenses (Line 18) .....	1,686,828,389	1,996,448,374	2,525,936,349	1,106,126,589	705,181,126
7. Claims adjustment expenses (Line 20) .....	128,037,369	171,353,561	243,655,860	107,758,904	91,571,173
8. Total administrative expenses (Line 21) .....	210,782,881	101,788,780	65,589,644	4,558,894	4,970,967
9. Net underwriting gain (loss) (Line 24) .....	311,696,119	246,643,463	130,412,753	171,303,278	68,589,219
10. Net investment gain (loss) (Line 27) .....	68,509	24,029	33,267	41,881	57,273
11. Total other income (Lines 28 plus 29) .....	(111,911,726)	(24,714,285)	(4,085,909)	(256,230)	2,271,080
12. Net income or (loss) (Line 32) .....	37,989,272	124,561,216	82,054,431	111,358,983	45,784,210
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(9,537,316)	14,830,496	(376,083,659)	102,388,114	284,758,844
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	613,714,968	448,078,013	331,862,104	286,007,619	181,707,723
15. Authorized control level risk-based capital .....	41,243,080	62,762,625	68,425,625	35,106,037	31,694,038
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	3,485,708	2,994,368	3,354,748	1,526,981	886,130
17. Total members months (Column 6, Line 7) .....	41,238,109	36,635,427	41,765,543	18,441,120	10,305,072
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	72.2	79.3	85.2	79.6	81.0
20. Cost containment expenses .....	1.1	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses .....	4.4	6.8	8.2	7.7	10.5
22. Total underwriting deductions (Line 23) .....	86.7	90.2	95.6	87.7	92.1
23. Total underwriting gain (loss) (Line 24) .....	13.3	9.8	4.4	12.3	7.9
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	73,939,168	165,527,512	5,742,170	42,063,442	53,420,925
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	129,705,462	203,822,464	25,086,908	40,745,922	58,888,790
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....					0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....					0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....					0
31. All other affiliated .....					0
32. Total of above Lines 26 to 31 .....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [        ] No [        ]

If no, please explain: .....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

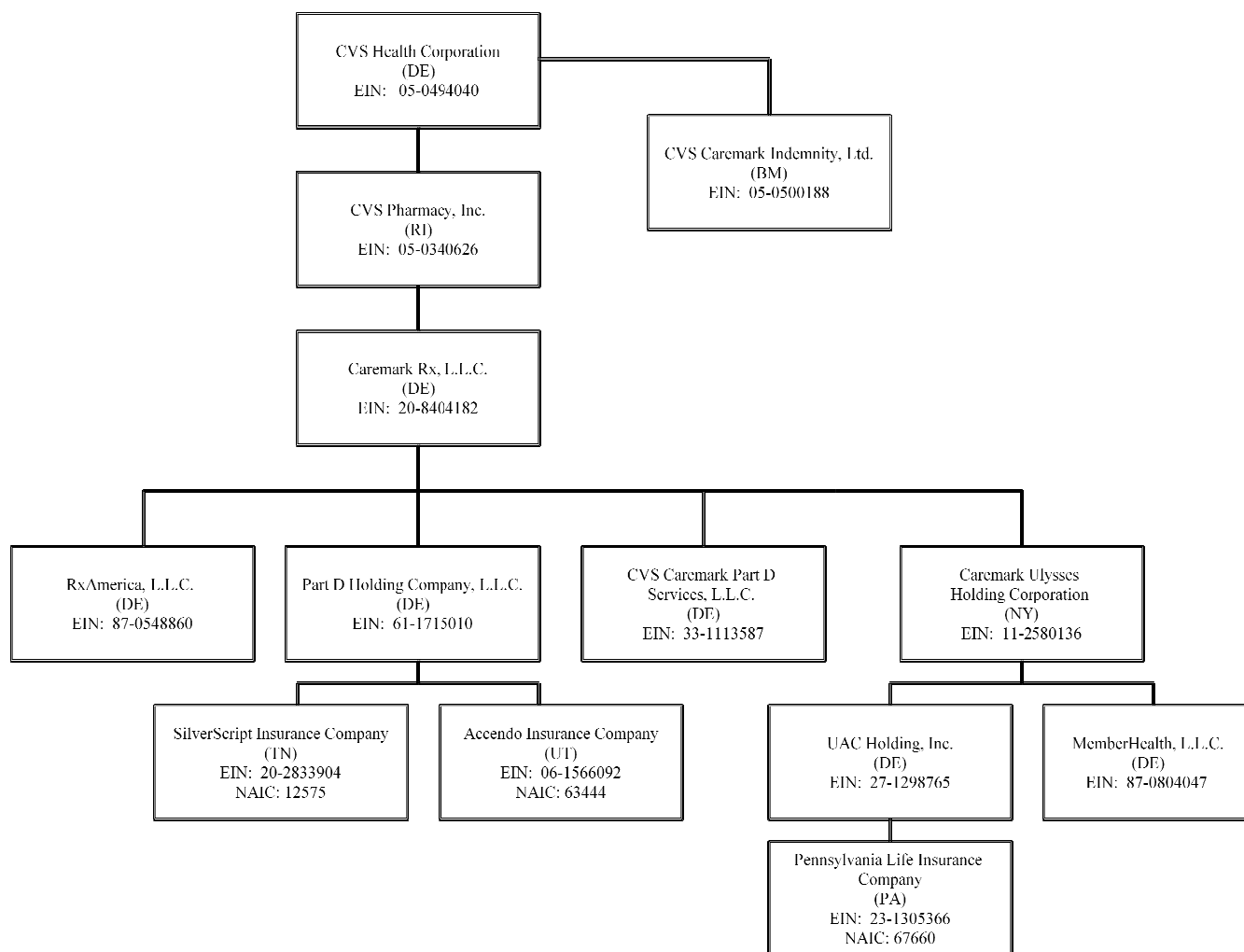
**SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories									
States, etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama .....	AL	L	45,448,908					45,448,908	
2. Alaska .....	AK	L	1,630,230					1,630,230	
3. Arizona .....	AZ	L	30,760,380					30,760,380	
4. Arkansas .....	AR	L	46,189,299					46,189,299	
5. California .....	CA	L	343,672,917					343,672,917	
6. Colorado .....	CO	L	17,962,724					17,962,724	
7. Connecticut .....	CT	L	48,473,874					48,473,874	
8. Delaware .....	DE	L	9,470,896					9,470,896	
9. District of Columbia .....	DC	L	6,060,578					6,060,578	
10. Florida .....	FL	L	118,204,038					118,204,038	
11. Georgia .....	GA	L	93,861,502					93,861,502	
12. Hawaii .....	HI	L	2,352,526					2,352,526	
13. Idaho .....	ID	L	12,895,659					12,895,659	
14. Illinois .....	IL	L	84,160,830					84,160,830	
15. Indiana .....	IN	L	57,037,178					57,037,178	
16. Iowa .....	IA	L	42,107,117					42,107,117	
17. Kansas .....	KS	L	31,894,039					31,894,039	
18. Kentucky .....	KY	L	56,477,996					56,477,996	
19. Louisiana .....	LA	L	65,160,212					65,160,212	
20. Maine .....	ME	L	5,022,313					5,022,313	
21. Maryland .....	MD	L	54,433,060					54,433,060	
22. Massachusetts .....	MA	L	115,645,208					115,645,208	
23. Michigan .....	MI	L	69,833,289					69,833,289	
24. Minnesota .....	MN	L	46,090,852					46,090,852	
25. Mississippi .....	MS	L	46,857,405					46,857,405	
26. Missouri .....	MO	L	103,749,216					103,749,216	
27. Montana .....	MT	L	12,216,163					12,216,163	
28. Nebraska .....	NE	L	23,664,172					23,664,172	
29. Nevada .....	NV	L	10,921,111					10,921,111	
30. New Hampshire .....	NH	L	8,833,681					8,833,681	
31. New Jersey .....	NJ	L	95,615,150					95,615,150	
32. New Mexico .....	NM	L	22,487,661					22,487,661	
33. New York .....	NY	L	190,549,943					190,549,943	
34. North Carolina .....	NC	L	113,931,480					113,931,480	
35. North Dakota .....	ND	L	12,528,296					12,528,296	
36. Ohio .....	OH	L	110,594,085					110,594,085	
37. Oklahoma .....	OK	L	57,198,215					57,198,215	
38. Oregon .....	OR	L	26,210,633					26,210,633	
39. Pennsylvania .....	PA	L	156,387,705					156,387,705	
40. Rhode Island .....	RI	L	17,856,463					17,856,463	
41. South Carolina .....	SC	L	51,072,175					51,072,175	
42. South Dakota .....	SD	L	11,867,395					11,867,395	
43. Tennessee .....	TN	L	52,065,558					52,065,558	
44. Texas .....	TX	L	137,682,832					137,682,832	
45. Utah .....	UT	L	10,216,123					10,216,123	
46. Vermont .....	VT	L	14,076,375					14,076,375	
47. Virginia .....	VA	L	59,641,016					59,641,016	
48. Washington .....	WA	L	58,901,931					58,901,931	
49. West Virginia .....	WV	L	41,001,521					41,001,521	
50. Wisconsin .....	WI	L	59,481,634					59,481,634	
51. Wyoming .....	WY	L	5,391,903					5,391,903	
52. American Samoa .....	AS	N	0					0	
53. Guam .....	GU	L	14,350					14,350	
54. Puerto Rico .....	PR	L	359,560					359,560	
55. U.S. Virgin Islands .....	VI	L	33,272					33,272	
56. Northern Mariana Islands .....	MP	L	0					0	
57. Canada .....	CAN	N	0					0	
58. Aggregate other alien .....	OT	XXX	0	0	0	0	0	0	0
59. Subtotal .....	XXX		2,916,252,649	0	0	0	0	2,916,252,649	0
60. Reporting entity contributions for Employee Benefit Plans .....	XXX							0	
61. Total (Direct Business) .....	(a) 55		2,916,252,649	0	0	0	0	2,916,252,649	0
DETAILS OF WRITE-INS									
58001. ....	XXX								
58002. ....	XXX								
58003. ....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page .....	XXX		0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) .....	XXX		0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.  
Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of L responses except for Canada and Other Alien.

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART**



This organizational chart reflects the insurance entity reporting system and identifies the relationship between the ultimate parent and all member insurers. The ultimate controlling company is a Fortune 10 company with numerous subsidiaries, the majority of which do not interact with the insurance entities.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE SilverScript Insurance Company

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3  General Administrative Expenses	4  Investment Expenses	5  Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
2504. Amortization of purchased goodwill .....			(59,400)		(59,400)
2597. Summary of remaining write-ins for Line 25 from overflow page	0	0	(59,400)	0	(59,400)

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